

14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

June 26, 2006

Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, UT 84114-5801 Attn: Minerals

Re:

Gasco Production Company

Wilkin Ridge Federal #11-21-10-17

480' FNL and 671' FWL

NW NW Section 21, T10S - R17E

Duchesne County, Utah

Gentlemen:

Enclosed please find one copy of the Application for Permit to Drill, along with one copy of the Onshore Order No. 1 which was filed with the BLM in Vernal, Utah.

If you should need additional information, please don't hesitate to contact me. Approved copies of the A.P.D. should be sent to Permitco Inc. at the address shown above.

Sincerely,

PERMITCO INC.

Venessa Langmacher

Consultant for

Gasco Production Company

Venevoa Hansmacher

Enc.

cc:

Gasco Production Company - Englewood, CO

Shawn Elworthy - Roosevelt, UT

RECEIVED
JUN 2 8 2006
DIV. OF OIL, GAS & MINING

STATE OF UTAH

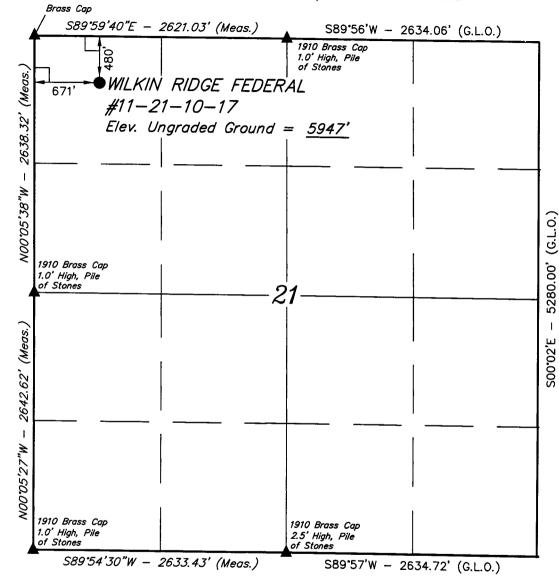
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

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AMENDED REPORT (highlight changes)

	APPLICATION FOR	R PERMIT	ГТС	DRILL		5. MINERAL LEASE NO.:	6. SURFACE:
1A. TYPE OF WO	BK: DRILL 🛣 REENTER 🛭	7 DEED		n	1-15-07-2	UTU-75083 7. IF INDIAN, ALLOTTEE OR	BLM TRIBE NAME:
IA. TTPE OF WO	DRILL LAI REENIER L	□ DEEPI	EN L			N/A	
B. TYPE OF WE	LL: OIL 🔲 GAS 💢 OTHER	s	INGLE	ZONE K MULTIPLI	E ZONE	8. UNIT or CA AGREEMENT I	NAME:
		<u> </u>		****		Wilkin Ridge	
2. NAME OF OPE						9. WELL NAME and NUMBER	
3. ADDRESS OF 0	ODUCTION COMPANY OPERATOR:			PHONE NUMBER:		Wilkin Ridge Fede	eral #11-21-10-17
8 Invernes	ss Drive East, Suite #100, Englew	ood. CO 801	12	303-483-0044			rdesimat
	WELL (FOOTAGES)	•				11. QTR/QTR, SECTION, TO	
AT SURFACE:	480' FNL	3%/4 imes and 671' FW	'L	39. 9385		MERIDIAN: Sec. 21, T10S-R17	Έ
AT PROPOSED	PRODUCING ZONE: NW NW			110.017	14 2		_
	4	420832	Y	· g	•		
14. DISTANCE IN	MILES AND DIRECTION FROM NEAREST TOWN C	R POST OFFICE:	-		*	12. COUNTY:	13. STATE:
Approxi	mately 22.9 miles South of Myton				<u>.</u>	Duchesne	UTAH
15. DISTANCE TO	NEAREST PROPERTY OR LEASE LINE (FEET) 480'	16. NUN	MBER O	F ACRES IN LEASE:	17. N	UMBER OF ACRES ASSIGNED	
18. DISTANCE TO	D NEAREST WELL (DRILLING, COMPLETED, OR	19. PRC	POSED	1917.7 DEPTH:	20. B	40 Acres; NV	V NW
	I) ON THIS LEASE (FEET):			40.4071			
21. ELEVATIONS	Approx. 2000' (SHOW WHETHER DF, RT, GR, ETC.):	22. APP	ROXIMA	13,137' ATE DATE WORK WILL STAF	RT: 23 F3	Bond No. UT	-1233
	5947' GL			ASAP		35 Days	
24.	PRO	POSED CAS	ING A	AND CEMENTING F	PROGRAM		
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT					TTY, YIELD, AND SLURRY WEIG	GHT
17-1/2"	13-3/8", H-40, 48#	200'				Гуре 5, 15.6 ppg, 1.18 yield	
12-1/4"	8-5/8", J-55, 32#	3,707'	62			+ 185 sx 10-2 RFC, 1	
7-7/8"	4-1/2", P-110, 13.5#	13,137'	52	23 sx Hi-Lift, 11.5 ppç	g, 3.05 yield	d & 1365 sx 50/50 Poz,	14.1 ppg, 1.28 yield
			Щ.	CON	ELPEN!	TIAL-TIGHT HO) F
				CON	PIDEN	HAL-HOIT II	
			+				
25.	the state of the s		ΔΤΤ	ACHMENTS			1
*******	LOWING ARE ATTACHED IN ACCORDANCE WITH				DI II CO.		
	LEGWING THE THINGNES IN TOOCH STATES	THE OTAH OIL AN	D GAO	I	NOLES.		
✓ WELL PL	AT OR MAP PREPARED BY LICENSED SURVEYOR	OR ENGINEER		COMPLETE DRILL	ING PROGRAM	1	
EVIDENC	E OF DIVISION OF WATER RIGHTS APPROVAL FO	OR USE OF WATER	1	FORM 5, IF OPER/	ATOR IS PERSO	ON OR COMPANY OTHER THAM	THE LEASE OWNER
AGENT: Pe	ermitCo Inc.					AGENT'S PHONE NO.:	303-857-9999
NAME (PLEASE	PRIJ(T) Venesşa Langmacher			TITLE	Agent for	Gasco Production C	ompany
SIGNATURE	Venessa Garymac	nes		DATE	June 26, 2	2006	
(This space for Stat	te use only)	——			<u> </u>		
	11 0	#### # - 17%	Ann	roved by the	æ e ggel		
API NUMBER ASSI	IGNED: 43-013-33238		Utal	h Division of	3 8		-WED
	•	0	il, G	as and Mining	\sim	RECH	EIVED
		Date	M	-R9-04	VII	n IN	2 8 2006
(11/2001)	Federal Approval of this	4	₩	See instructions on Reverse S	X	יאוטנ	- AMMAIG
	Action is Necessary	By:	\mathcal{E}	200 May 1	Angel /	OW OF OIL	, GAS & MINING
				\ \ \ \		DIA' OL 2	

T10S, R17E, S.L.B.&M.



BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LEGEND:

__ = 90. SYMBOL

= PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)

LATITUDE = 39°56'07.37" (39.935381)

LONGITUDE = 110°01'06.52" (110.018478)

(AUTONOMOUS NAD 27)

LATITUDE = 39°56'07.50" (39.935417)

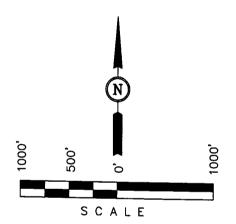
LONGITUDE = 110°01'03.98" (110.017772)

GASCO PRODUCTION COMPANY

Well location, WILKIN RIDGE FEDERAL #11-21-10-17, located as shown in the NW 1/4 NW 1/4 of Section 21, T10S, R17E, S.L.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED IN THE SW 1/4 OF SECTION 20, T10S, R17E, S.L.B.&M. TAKEN FROM THE WILKIN RIDGE, QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6275 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE THU AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELLET

REGISTRATION MAY 161319

UINTAH ENGINEERING & LAW CRVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

	, , 55 1011	
SCALE 1" = 1000'	DATE SURVEYED: 01-03-06	DATE DRAWN: 01-12-06
PARTY B.H. J.T. L.K.	REFERENCES G.L.O. PLA	ΛT
WEATHER	FILE	
COLD	GASCO PRODU	JCTION COMPANY

CONFIDENTIAL - TIGHT HOLE

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore Federal and Indian Oil & Gas Leases

Wilkin Ridge Federal #11-21-10-17 480' FNL and 671' FWL NW NW Section 21, T10S-R17E Duchesne County, Utah

Prepared For:

Gasco Production Company By:

PERMITCO INC. 14421 County Road 10 Ft. Lupton, Colorado 80621 303/857-9999

Copies Sent To:

- 3 Bureau of Land Management Vernal, UT
- 1 Utah Division of Oil, Gas & Mining SLC, UT
- 2 Gasco Production Company Englewood, CO
- 1 Shawn Elworthy Roosevelt, UT



APPLICATION FOR PERMIT TO DRILL OR REENTER

24. Attachments

The	following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:
1.	Well plat certified by a registered surveyor. Attached.
2.	A Drilling Plan See Drilling Program Attached.
3.	A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the Appropriate Forest Service Office. See Surface Use Plan Attached.
4.	Bond to cover the operations unless covered by an existing bond on file (see Item 20). Bond coverage for this well is provided by Gasco Production Company under their BLM Bond No. Bond No. UT-1233
5.	Operator certification. Please be advised that Gasco Production Company is considered to be the operator of the above mentioned well. Gasco Production Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.
6.	Such other site specific information and/or plans as may be required by the authorized officer.

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DRILLING PROGRAM

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ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. <u>ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS</u>

Formation	Depth	Subsea
Wasatch	5,157'	+800'
Mesaverde	9,337'	-3,380'
Castlegate	11,967'	-6,010'
Blackhawk	12,237'	-6,280'
Aberdeen	12,837'	-6,880'
T.D.	13,137'	-7,180'

2. <u>ESTIMATED DEPTH OF ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS:</u>

Substance	Formation	Depth
Gas	Wasatch	5,500' - 9,337'
Gas	Mesaverde	9,337' - 11,967'
Gas	Blackhawk	12,237' - 13,000'

All fresh water prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.



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DRILLING PROGRAM

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3. PRESSURE CONTROL EQUIPMENT

Gasco Production Company's minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double with annular, 5000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 30-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.



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DRILLING PROGRAM

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BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have the BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 5000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is <u>not</u> to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit <u>all</u> tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. PROPOSED CASING AND CEMENTING PROGRAM:

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).

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DRILLING PROGRAM

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- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)
- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- I. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.



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DRILLING PROGRAM

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m. The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Туре	New/Used
Conductor	0-200'	17-1/2"	13-3/8"	48#	H-40		New
Surface	0-3,707'	12-1/4"	8-5/8"	32#	J-55	ST&C	New
Production	0-13,137'	7-7/8"	4-1/2"	13.5#	P-110	LT&C	New

- n. Casing design subject to revision based on geologic conditions encountered.
- o. The cement program will be as follows:

Conductor	Type and Amount	
TOC @ Surface	200 sx Premium Type 5 mixed @ 15.6 ppg, 1.18 yield	
Surface	Surface Type and Amount	
TOC @ Surface	urface Lead: 628 sx Hi-Lift mixed @ 11 ppg, 3.91 yield Tail: 185 sx 10-2 RFC mixed @ 14.2 ppg, 1.63 yield	
Production Type and Amount		
TOC @ 2,500'	Lead: 523 sx Hi-Lift mixed @ 11.5 ppg, 3.05 yield Tail: 1365 sx 50:50 Poz @ 14.1 ppg, 1.28 yield	

- p. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- r. The following reports shall be filed with the District Manager within 30 days after the work is completed.



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DRILLING PROGRAM

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- 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
 - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- s. Auxiliary equipment to be used is as follows:
 - 1. Kelly cock
 - 2. No bit float is deemed necessary.
 - 3. A sub with a full opening valve.

5. MUD PROGRAM

a. The proposed circulating mediums to be employed in drilling are as follows:

Interval	Mud Type	Mud Wt.	Visc.	F/L	рН
0 - 200'	Fresh Water	8.33	1		7
200' - 4,060'	Fresh Water	8.33	1		7-8
4,060' - 13,055'	Fresh Water/DAP	9.0-11.5	30-40	12-20	8

There will be sufficient mud on location to control a blowout should one occur. A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.



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DRILLING PROGRAM

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- b. Mud monitoring equipment to be used is as follows:
 - 1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.
- c. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aguifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

6. **EVALUATION PROGRAM**

The anticipated type and amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.



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DRILLING PROGRAM

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All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of a Schlumberger Platform Express or equivalent to be run from Base of Surface Casing to TD.
- c. No cores are anticipated.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cutting, fluids, and/or gases0 will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program is as follows: Perform mulitstage fracs and complete all productive Blackhawk, Mesaverde and Wasatch zones present in wellbore. Produce all zones commingled.
- f. Daily drilling and completion progress reports shall be submitted to the BLM in Vernal on a weekly basis.

7. ABNORMAL TEMPERATURES OR PRESSURES

- a. The expected bottom hole pressure is 7357 psi. The maximum bottom hole temperature anticipated is 223 degrees F.
- No hydrogen sulfide gas is anticipated. Abnormal pressures will be controlled with mud weight and 5000# BOP and rotating head.

8. <u>ANTICIPATED STARTING DATES AND NOTIFICATION OF OPERATIONS</u>

- a. Drilling is planned to commence in upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 35 days.



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DRILLING PROGRAM

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- c. The BLM in Vernal, Utah shall be notified of the anticipated date of location construction commencement and of anticipated spud date.
- d. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.
- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, UT 84078.
- g. <u>Immediate Report:</u> Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- h. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- j. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

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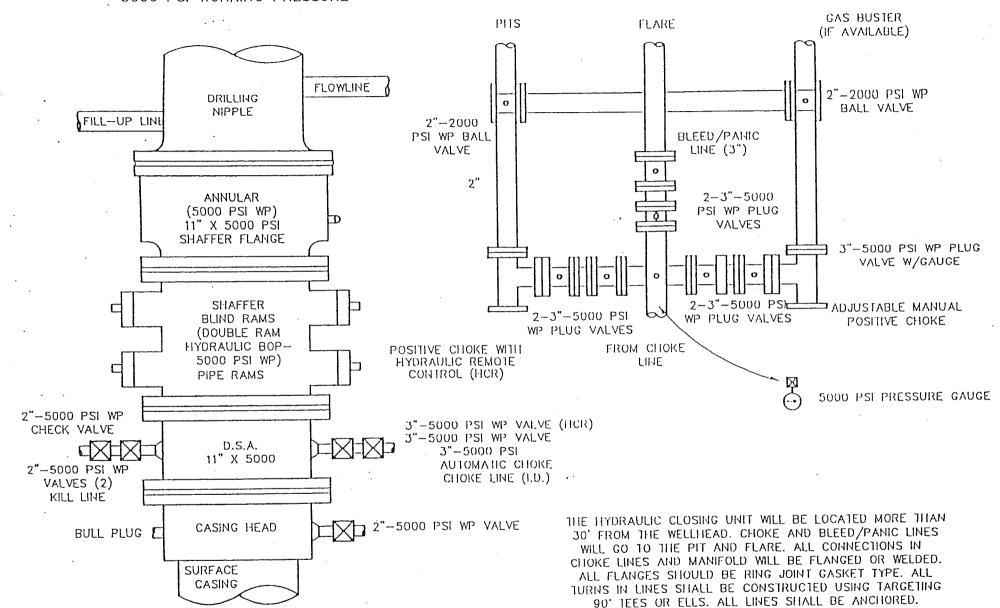
DRILLING PROGRAM

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- I. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.).
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.
- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

Bureau of Land Management 170 South 500 East Vernal, Utah 84078			
Phone: 435/781-4400 Fax: 435/781-4410 After Hours:			
Matt Baker	Petroleum Engineer	435/828-4470	
Michael Lee	Petroleum Engineer	435/828-7875	





CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-75083

SURFACE USE PLAN

Page 1

ONSHORE OIL & GAS ORDER NO. 1 NOTIFICATION REQUIREMENTS

Location Construction -

Duchesne County, Utah

forty-eight (48) hours prior to construction of location and access roads.

Location Completion -

prior to moving on the drilling rig.

Spud Notice

at least twenty-four (24) hours prior to spudding the well.

Casing String and

Cementing

twenty-four (24) hours prior to running casing and

cementing all casing strings.

BOP and Related

Equipment Tests

twenty-four (24) hours prior to initiating pressure tests.

First Production -

Notice

within five (5) business days after new well begins or

production resumes after well has been off production for more than

ninety (90) days.

The onsite inspection for the subject well site was conducted on Thursday, February 9, 2006 at approximately 3:40 p.m. Weather conditions were clear, cool and sunny. In attendance at the onsite inspection were the following individuals:

Karl Wright Chris Carusona

Shawn Elworthy

Natural Resource Specialist Natural Resource Specialist Bureau of Land Management Bureau of Land Management

Lisa Smith

Permitting Agent

Permitco Inc.

Greg Olsen Ben Johnson

Surveyor Survey Hand Field Supervisor

Uintah Engineering and Land Surveying Uintah Engineering and Land Surveying

Gasco Production Company



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SURFACE USE PLAN

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1. **EXISTING ROADS**

- a. The proposed well site is located approximately 22.9 miles south of Myton, Utah.
- b. Directions to the location from Myton, Utah are as follows:

Proceed in a southeasterly direction from Myton, Utah for approximately 12.7 miles to the Castle Peak Mine. Stay right and continue southerly for 6.6 miles to a fork in the road. Turn right and proceed southerly 1.2 miles until reaching another fork in the road. Stay right and proceed southwesterly 2.1 miles. Turn left onto the proposed access and proceed easterly 0.3 miles until reaching the proposed location.

- c. For location of access roads within a 2-Mile radius, see Maps A & B.
- d. Improvement to existing main roads will not be required.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. PLANNED ACCESS ROADS

- a. There will be 0.3 miles of new access to be constructed.
- b. The maximum grade is approximately 5%.
- c. No turnouts are planned.
- d. No culverts or low water crossings will be necessary.
- e. The access road was centerline surveyed at the time of staking.
- f. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.
- g. No cattle guards will be necessary.



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ONSHORE ORDER NO. 1
Gasco Production Company
Wilkin Ridge Federal #11-21-10-17
480' FNL and 671' FWL
NW NW Section 21, T10S - R17E
Duchesne County, Utah

Lease No. UTU-75083

SURFACE USE PLAN

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- h. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- i. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: <u>Surface Operating</u> Standards for Oil and Gas Exploration and Development, (1989).
- j. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.
- k. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- I. Road right of way is herby requested for the portion of access road located outside Lease Number UTU-75083 in the SE SE, Section 17, T10S R17E. We are requesting that this APD be used as our ROW Application. Please notify us of the required Application fees. We are requesting that ROW be brought to the wellhead.

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION. (See Map "C")

- a. Water wells none
- b. Injection wells none
- c. Producing wells two
- d. Drilling wells none



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SURFACE USE PLAN

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- e. Shut-in wells one
- f. Temporarily abandoned wells none
- g. Disposal wells -none
- h. Abandoned wells none
- i. Dry Holes none

4. LOCATION OF TANK BATTERIES AND PRODUCTION FACILITIES.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted Carlsbad Canyon. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. If production is established, a production facility diagram will be submitted via Sundry Notice.
- d. All loading lines will be placed inside the berm surrounding the tank battery.
- e. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow line will be buried or anchored down from the wellhead to the separator. Meter runs will be housed and/or fenced.
- f. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.

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- g. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.
- h. Any necessary pits will be properly fenced to prevent any wildlife entry.
- i. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- j. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- k. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- I. The road will be maintained in a safe useable condition.
- m. Produced water will be stored in a 300 bbl heated, insulated tank, then hauled to a commercial disposal site such as Disposal Inc., or Brennan Bottom.
- n. Pipelines will follow the route shown on Map D. See Pipeline detail attached. Pipeline right of way is requested for a portion of pipeline located in the SE SE, Section 17, T10S R17E.

5. LOCATION AND TYPE OF WATER SUPPLY

- a. The proposed water source will be the Nebecker Water Station in Myton. The Water Use Claim # is 43-1721.
- b. Water will be hauled by Nebecker Water Service to the location over the access roads shown on Maps A and B.
- c. No water well will be drilled on this lease.

6. SOURCE OF CONSTRUCTION MATERIAL

a. Surface and subsoil materials in the immediate area will be utilized.



Duchesne County, Utah

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SURFACE USE PLAN

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- b. Any gravel used will be obtained from a commercial source.
- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.

7. METHODS OF HANDLING WASTE DISPOSAL

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. At the request of the BLM, the reserve pit will be lined with a 12 mil liner. If fractured rock is encountered, the pit will be first lined with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- d. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- e. Drill cuttings are to be contained and buried in the reserve pit.
- f. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- g. A chemical porta-toilet will be furnished with the drilling rig.
- h. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

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8. ANCILLARY FACILITIES

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. WELL SITE LAYOUT

- a. The operator or his/her contractor shall contact the BLM Office at 435/781-4400 forty-eight (48) hours prior to construction activities.
- b. The reserve pit will be located on the northeast side of the location.
- c. The flare pit will be located on the south side of the reserve pit, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
- d. The stockpiled topsoil (first six inches) will be stored on the north side of the location, between Corners 2 and 4. Topsoil along the access route will be wind rowed on the uphill side.
- e. Access to the well pad will be from the southwest as shown on the Pit & Pad Layout.
- f. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.
- g. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Location Layout.
- h. All pits will be fenced according to the following minimum standards:
 - 1. 39 inch net wire shall be used with at least one strand or barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
 - 2. The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.
 - 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.



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- 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- i. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

10. PLANS FOR RESTORATION OF SURFACE

Producing Location

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- c. If a plastic nylon reinforced liner is used it shall be torn and perforated before backfilling of the reserve pit.
- d. The reserve pit and that portion of the location not needed for production facilities or operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.
- e. Reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer. The following seed mixture has been requested by the Bureau of Land Management.

Species	Pounds PLS/Acres
Indian Ricegrass	4
Crested Wheatgrass	4
Needle & Threadgrass	4
TOTAL	12



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Seeding will be performed immediately after the location has been reclaimed and the pit has been backfilled, regardless of the time of year. Seed will be broadcast and walked in with a dozer.

f. The topsoil stockpile will be seeded as soon as the location has been constructed with the same recommended seed mix. The seed will be walked in with a cat.

Dry Hole

g. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.

Interim Surface Reclamation will be as follows:

- 1. Immediately after final well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production operations.
- 2. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in the reserve pit will be removed. Other waste and spoil materials will be disposed of immediately, weather permitting, upon final well completion.
- 3. If a synthetic, nylon re-enforced, liner is used, the excess liner will be cut off and removed and the remaining liner will be torn and perforated while backfilling the reserve pit.

 Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled. The liner will be buried to a minimum of four (4) feet deep.
- 4. The reserve pit will be reclaimed within 180 days from the date of final well completion, weather permitting.
- 5. The reserve pit and that portion of the location not needed for production and storage facilities, and everyday production operations, will be reshaped to the approximate original contours to the extent possible. This will be completed by backfilling and crowning the pit to prevent water from standing. Topsoil will be re-spread up to the rig anchor points, excluding the area needed for production and storage facilities and everyday production operations. Re-seeding, using appropriate reclamation methods, will occur immediately following the re-spreading of topsoil, weather permitting. The Authorized Officer will provide a seed mixture to re-vegetate the reserve pit and other unused disturbed areas at the time of the onsite.

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11. SURFACE OWNERSHIP

Access Roads - The majority of the access roads are maintained by the County Road Department or the Bureau of Land Management.

Well pad - The well pad is located on lands managed by the BLM.

12. OTHER INFORMATION

- a. A Class III archeological survey will be conducted by Grand River Institute. A copy of this report will be submitted to the appropriate agencies by Grand River Institute.
- b. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
 - -whether the materials appear eligible for the National Register of Historic Places;
 - -the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
 - -a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.
- c. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application herbicides or other pesticides or possible hazardous chemicals.

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- d. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure.
- e. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- f. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- g. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.
- h. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- i. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period. After permit termination, a new application will be filed for approval for any future operations.
- j. The operator or his contractor shall contact the BLM Offices at 435/781-4400 48 hours prior to construction activities.
- k. The BLM Office shall be notified upon site completion prior to moving on the drilling rig.



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13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

Permit Matters

Drilling & Completion Matters

PERMITCO INC.

14421 County Road 10 Ft. Lupton, CO 80621 303/857-9999 (O) 303/857-0577 (F) Lisa Smith **Gasco Production Company** 8 Inverness Drive East, Suite 100

Englewood, CO 80112 John Longwell

303/483-0044 (O) 303/483-0011(F)

Shawn Elworthy Roosevelt, UT (Cell) 435-823-4272

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Gasco Production Company and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

February 24, 2006

Date:

Venessa Langmacher - PERMITCO INC.

Authorized Agent for:

Gasco Production Company



PIPELINE INFORMATION Wilkin Ridge Federal #11-21-10-17

- 1. The type of pipeline is a single well flow line.
- 2. The outside diameter (O.D.) of all will be 8 inches maximum.
- 3. The anticipated production through the line is approximately 2000 MCF per day.
- 4. The anticipated maximum test pressure is 1000 psi.
- 5. The anticipated operating pressure is 100-200 psi.
- 6. The type of pipe is steel.
- 7. The method of coupling is welded.
- 8. The pipeline will be laid on surface because of the extremely rocky surface.
- 9. There are no other pipelines to be associated in same right of way.
- 10. There will be other objects to be associated in the same right of way. (Risers, Pig Launchers Pig Traps, meters and other appurtenances as required.)
- 11. The total length of pipeline is approximately 2,400 feet see Map D.
- 12. The line will be laid on surface as shown on Map D. Where possible, the pipeline will follow existing or proposed roads.
- 13. The construction width for total surface disturbing activities is 30 feet.
- 14. The estimated total acreage involving all surface disturbing activities is 1.65 acres.
- 15. Any surface disturbance created as a result of the pipeline construction will be reclaimed utilizing the reclamation procedures and seed mixture specified by the Bureau of Land Management.
- 16. The line will be tested with gas pressure to 1000 psi.

GASCO PRODUCTION COMPANY

WILKIN RIDGE FEDERAL #11-21-10-17

LOCATED IN DUCHESNE COUNTY, UTAH SECTION 21, T10S, R17E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

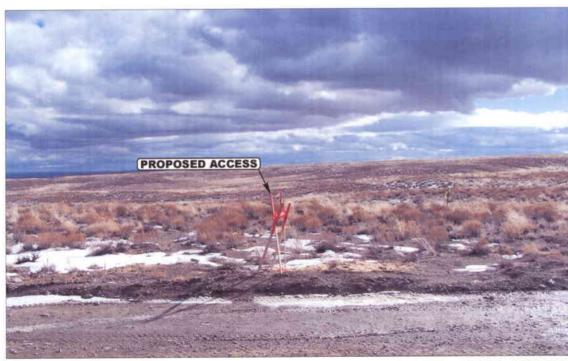


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078

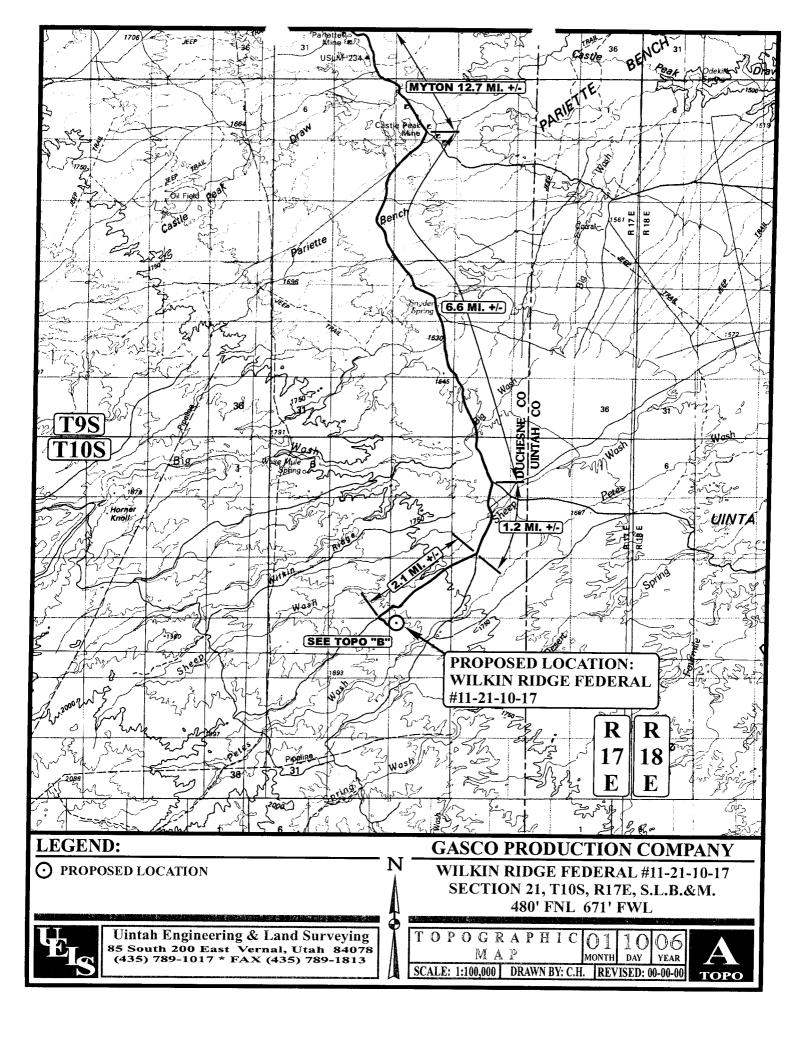
435-789-1017 uels@uelsinc.com

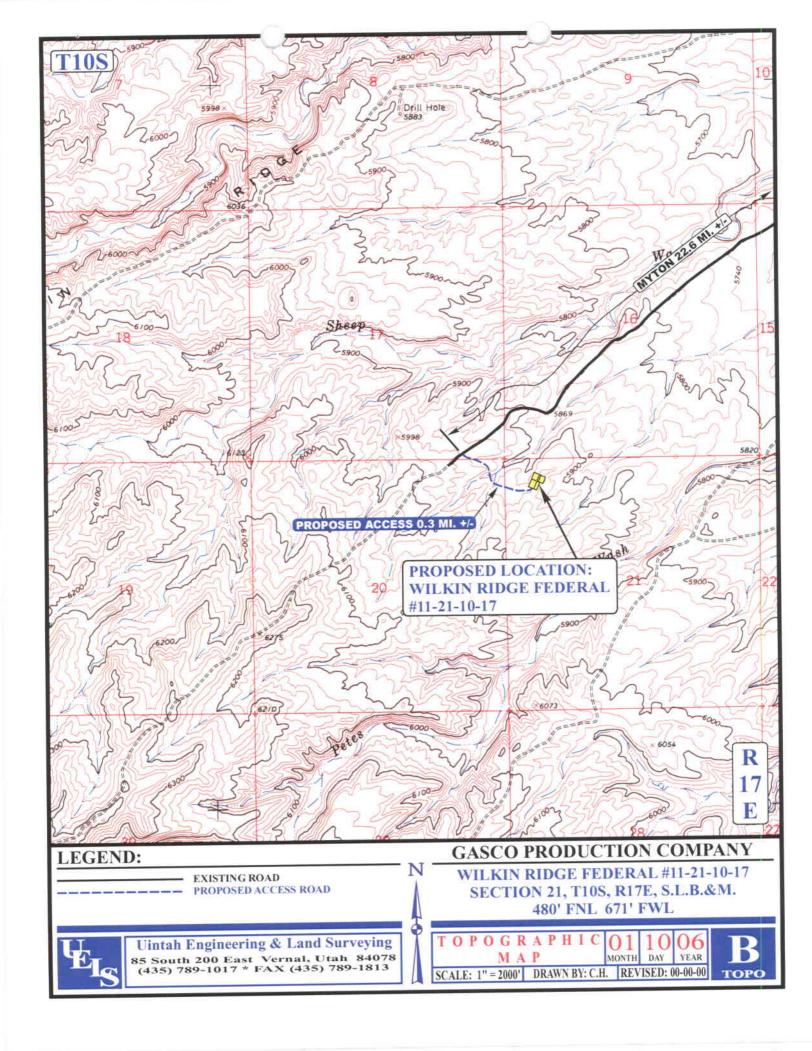
LOCATION PHOTOS

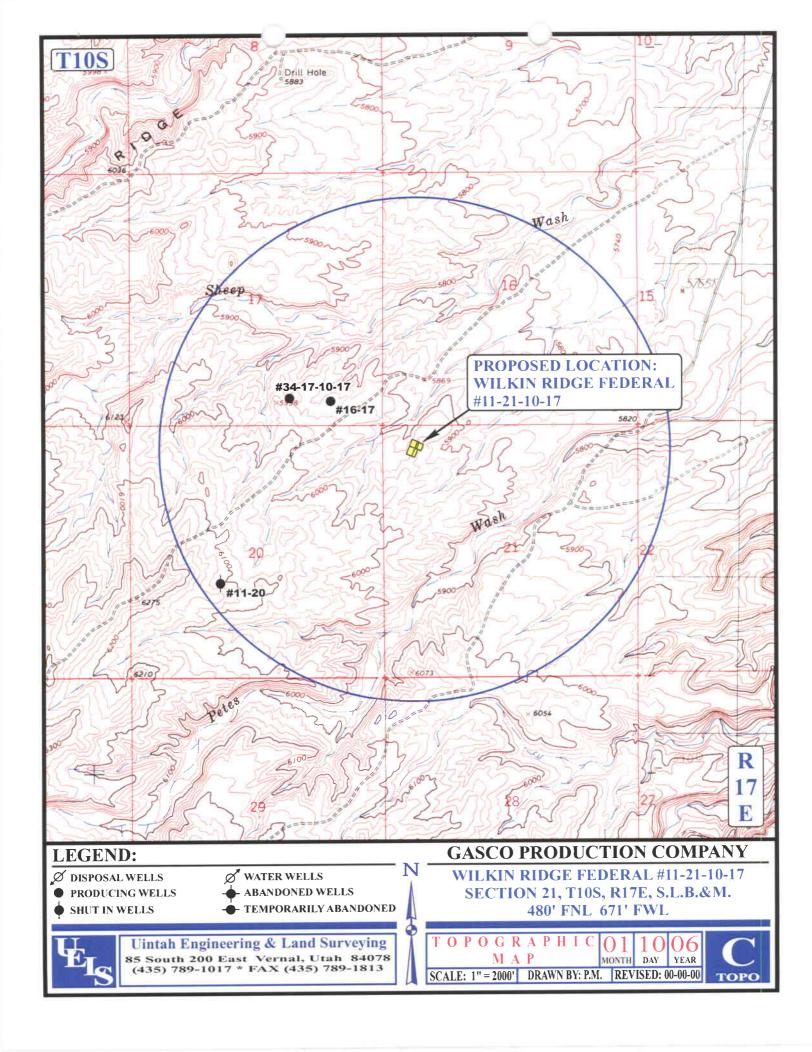
MONTH DAY YEAR

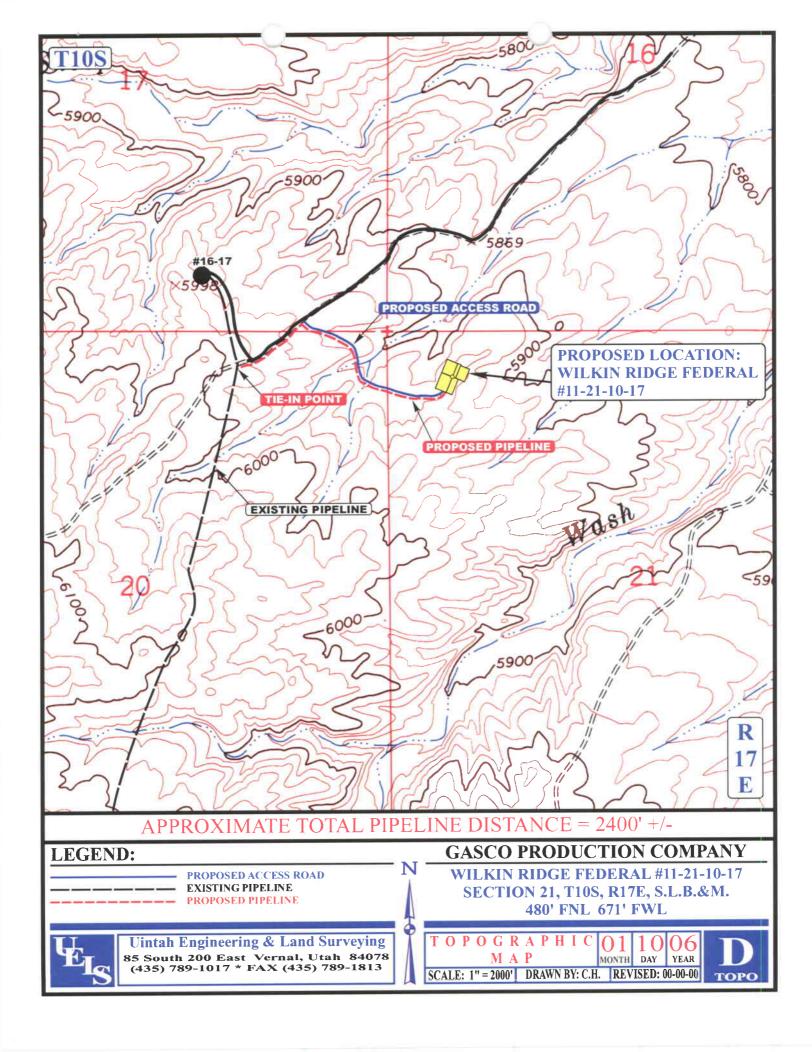
РНОТО

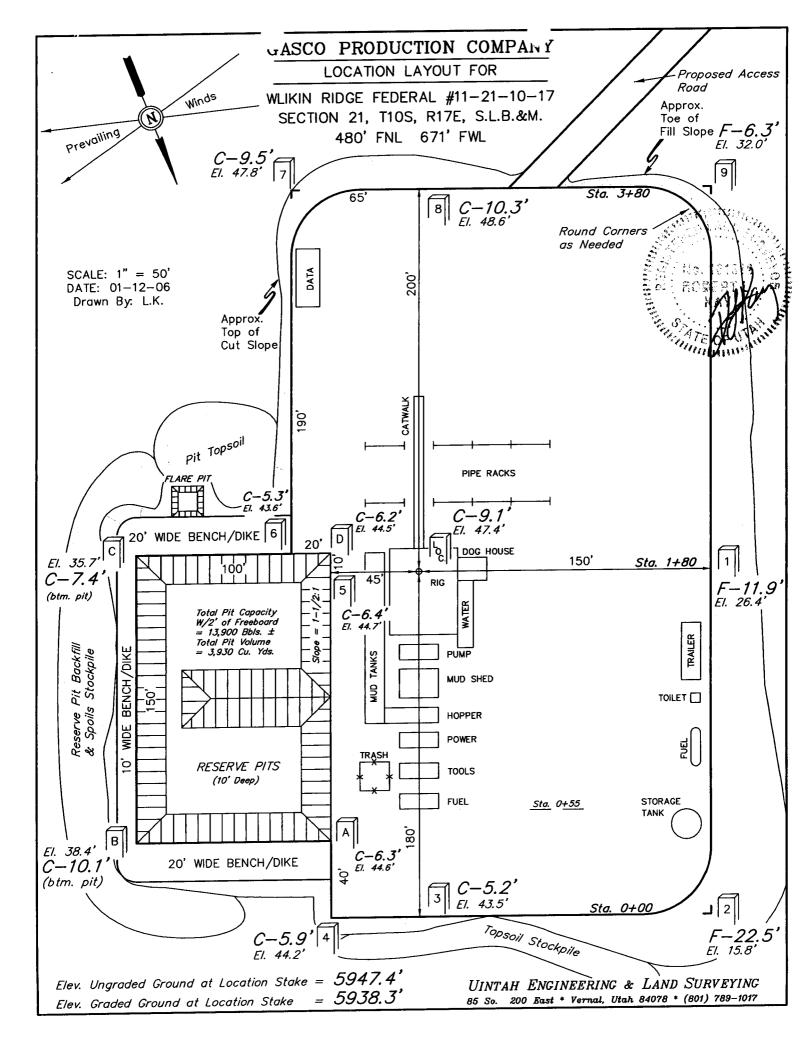
TAKEN BY: B.H. DRAWN BY: C.H. REVISED: 00-00-00

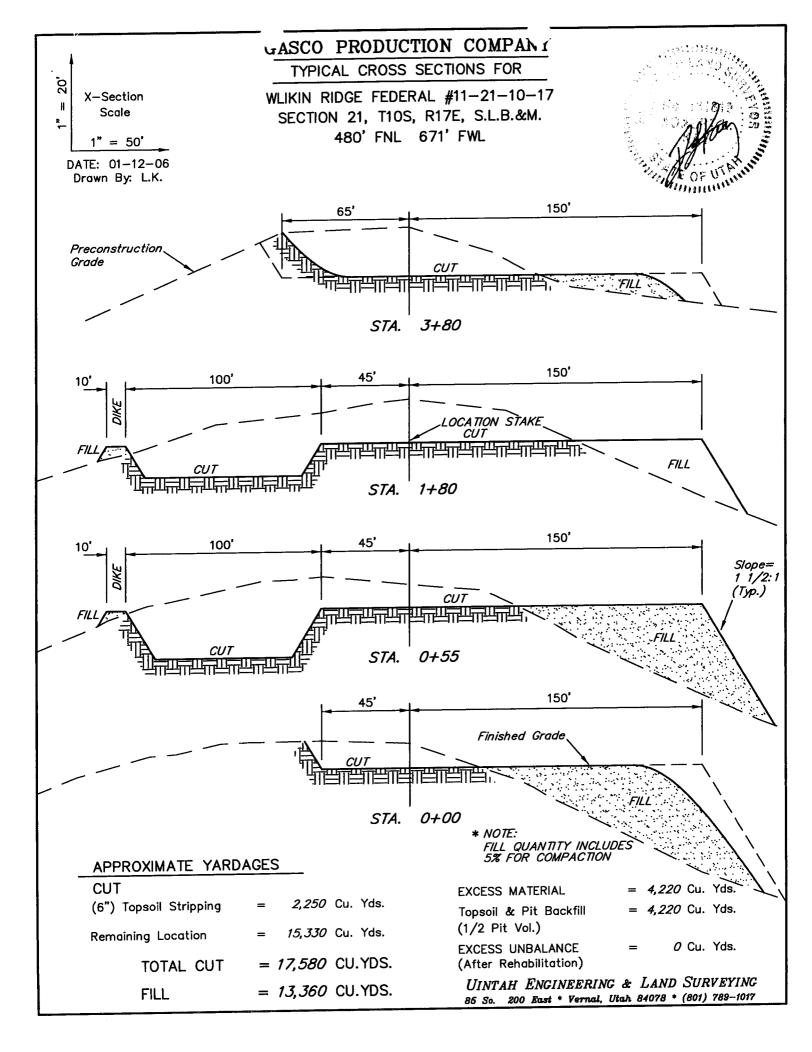












TIMING LIMITATION STIPULATION - SAGE GROUSE LEK NESTING AREA

No surface use is allowed within the nesting areas during the following time period. This stipulation does not apply to operation and maintenance of production facilities. This stipulation would not apply if sage grouse are not present or if impacts could be mitigated.

March 1st through June 30th

On the lands described below:

Sec. 19: NE NE, S/2 NE, SE

Sec. 20: All

Sec. 21: W/2 NE, W/2, SE

For the purpose of:

Protecting and preserving sage grouse lek nesting areas on sage vegetation types as described by the Diamond Mountain Resource Management Plan and EIS. Waivers, exceptions, or modifications to this limitation may be specifically approved in writing by the authorized officer of the Bureau of Land Management if either the resource values change or the lessee/operator demonstrates that adverse impacts can be mitigated. Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.



<u>Archeology</u>

A Class III Archeological Survey will be conducted by Grand River Institute. A copy of this report will be submitted directly to the appropriate agencies by Grand River Institute.





Bureau of Land Management Vernal Field Office 170 S. 500 E. Vernal, UT 84078

Attn: Minerals

Re:

<u> Ali Wells</u>

<u> Uintah County, Utah</u>

Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Gasco Production Company, a wholly owned subsidiary of Gasco Energy, Inc. when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Gasco Production Company agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Yours yery truly

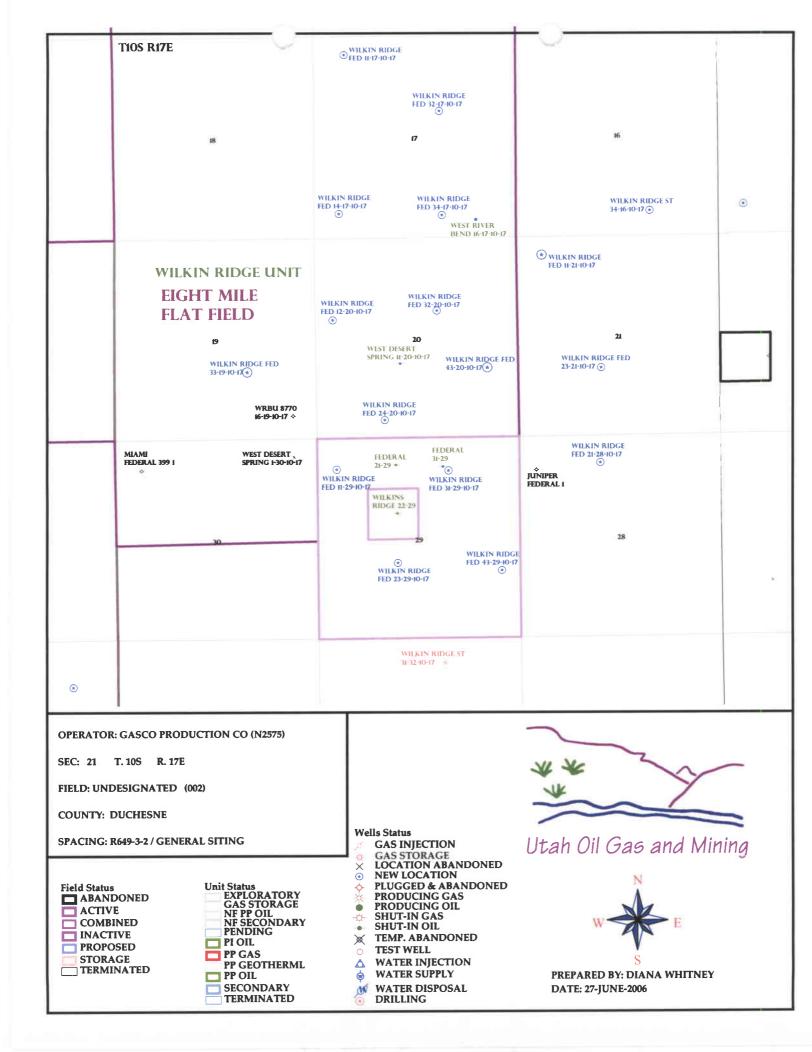
Mark J. Choury

Land Manager

Choury

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/28/2006	API NO. ASSIGNED: 43-013-33238	
WELL NAME: WILKIN RIDGE FED 11-21-10-17 OPERATOR: GASCO PRODUCTION (N2575) CONTACT: VENESSA LANGMACHER	PHONE NUMBER: 303-857-9999	
PROPOSED LOCATION:	INSPECT LOCATN BY: / /	
NWNW 21 100S 170E SURFACE: 0480 FNL 0671 FWL	Tech Review Initials Date	
BOTTOM: 0480 FNL 0671 FWL	Engineering	
COUNTY: DUCHESNE	Geology	
LATITUDE: 39.93533 LONGITUDE: -110.0178 UTM SURF EASTINGS: 583919 NORTHINGS: 44208	32 Surface	
FIELD NAME: UNDESIGNATED (2 LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-75083 SURFACE OWNER: 1 - Federal		
RECEIVED AND/OR REVIEWED: Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. UT-1233 Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. 43-1721 RDCC Review (Y/N) (Date: Plat LOCATION AND SITING: R649-2-3. Unit: WILKIN RIDGE DEEP R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between W R649-3-3. Exception Drilling Unit Board Cause No: Eff Date: Siting: No. 43-1721 Drilling Unit Roard Cause No: Eff Date: Siting: No. 43-1721 Drilling Unit R649-3-11. Directional Drill		
STIPULATIONS: 1- Leder Office 2- Spaces St	~q()	



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

June 28, 2006

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Wilkin Ridge Unit, Duchesne and

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Wilkin Ridge Unit, Duchesne County, Utah.

API# WELL NAME LOCATION

(Proposed PZ Blackhawk)

43-013-33236 WR Fed 33-19-10-17 Sec 19 T10S R17E 1782 FSL 1782 FEL 43-013-33237 WR Fed 43-20-10-17 Sec 20 T10S R17E 1837 FSL 0797 FEL 43-013-33238 WR Fed 11-21-10-17 Sec 21 T10S R17E 0480 FNL 0671 FWL

/s/ Michael L. Coulthard

bcc: File - Wilkin Ridge Unit

Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron

MCoulthard:mc:6-28-06



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

June 29, 2006

Gasco Production Company 8 Inverness Drive East, Suite 100 Englewood, CO 80112

Re: Wilkin Ridge Federal 11-21-10-17 Well, 480' FNL, 671' FWL, NW NW, Sec. 21, T. 10 South, R. 17 East, Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-33238.

Sincerely,

Gil Hunt Associate Director

pab Enclosures

cc: Duchesne County Assessor

Bureau of Land Management, Vernal District Office

Operator:	Gasco Production Company		
Well Name & Number	Wilkin Ridge Federal 11-21-10-17		
API Number:	43-013-33238		
Lease:	UTU-75083		
Location: <u>NW NW</u>	Sec. 21	T. 10 South	R. 17 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

•			
. ••	STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING		FORM 9 10 LEAST DESKINATION AND SERIAL NUMBER: UTU-75083
SUNDR	Y NOTICES AND REPORTS ON W	ELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	new wells, significantly deepen existing wells below current bottom-ho laterals. Use APPLICATION FOR PERMIT TO DRILL form for such p		7. UNIT OF CA AGREEMENT NAME: NA
1. TYPE OF WELL OIL WELL	GAS WELL 🗸 OTHER		8. WELL NAME and NUMBER: Wilkin Ridge Federal 11-21-10-17
2. NAME OF OPERATOR: Gasco Production Compa	any		9. API NUMBER: 4301333238
3. ADDRESS OF OPERATOR: 8 Inverness Dr E, Ste 100	Englewood Co 80112	PHONE NUMBER: (303) 483-0044	10. FIELD AND POOL, OR WILDCAT: Uteland Butte
4. LOCATION OF WELL			
FOOTAGES AT SURFACE: 480'	FNL & 671' FWL		COUNTY: Duchesne
QTR/QTR, SECTION, TOWNSHIP, RA	NGE, MERIDIAN: NWNW 21 10S 17E		STATE: UTAH
11. CHECK APP	ROPRIATE BOXES TO INDICATE NATU	RE OF NOTICE, REPO	ORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
NOTICE OF INTENT (Submit in Duplicate)	ACIDIZE DEEP ALTER CASING FRAC	EN TURE TREAT	REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL
Approximate date work will start:	CASING REPAIR NEW	CONSTRUCTION	TEMPORARILY ABANDON
	CHANGE TO PREVIOUS PLANS OPER	ATOR CHANGE	TUBING REPAIR
	CHANGE TUBING PLUG	AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE WELL NAME PLUG	BACK	WATER DISPOSAL
Date of work completion	CHANGE WELL STATUS PROD	UCTION (START/RESUME)	WATER SHUT-OFF
Date of Management	COMMINGLE PRODUCING FORMATIONS RECL	AMATION OF WELL SITE	✓ OTHER Extend Permit
	CONVERT WELL TYPE RECO	MPLETE - DIFFERENT FORMATION	
12 DESCRIBE PROPOSED OR C	OMPLETED OPERATIONS. Clearly show all pertinent deta	ils including dates, depths, volur	nes, etc.
Gasco Production Comp. 2007)	any would like to request a one year extens	sion on this APD from the	ne date it is due to expire (June 29,
	Approved by the Utah Division of Oil, Gas and Mini		
	Date:		6-21-07 pm

(This space for State use only)

NAME (PLEASE PRINT) Beverly Walker

11.

RECEIVED JUN 1 1 2007

Engineering Technician

6/4/2007



4301333238

API:

Application for Permit to Drill Request for Permit Extension Validation (this form should accompany the Sundry Notice requesting permit extension)

Weil Name: Wilkin Ridge Federal 11-21-10-17 Location: NWNW Section 21-T10S-R17E Company Permit Issued to: Gasco Production Company Date Original Permit Issued: 6/29/2006
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes⊡No☑
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
Is bonding still in place, which covers this proposed well? Yes ☑ No ☐
Solisaly (is/Kg 6/4/2007
Signature Date
Title: Engineering Technician
Representing: Gasco Production Company

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

	DIVISION OF OIL, GAS AND MININ	IG	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-75083
SUNDRY	NOTICES AND REPORTS C	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill n drill horizontal la	new wells, significantly deepen existing wells below current betterals. Use APPLICATION FOR PERMIT TO DRILL form for	ottom-hole depth, reenter plugged wells, or to or such proposals.	7. UNIT or CA AGREEMENT NAME: NA
TYPE OF WELL OIL WELL	GAS WELL OTHER		8. WELL NAME and NUMBER: Wilkin Ridge Federal 11-21-10-17
2. NAME OF OPERATOR:			9. API NUMBER:
Gasco Production Compa	ny		4301333238
3. ADDRESS OF OPERATOR: 8 Inverness Dr E, Ste 100	Y Englewood STATE Co ZIP 801	PHONE NUMBER: (303) 483-0044	10. FIELD AND POOL, OR WLDCAT: Uteland Butte
4. LOCATION OF WELL FOOTAGES AT SURFACE: 480' F	NL & 671' FWL	-	соинту: Duchesne
QTR/QTR, SECTION, TOWNSHIP, RAN	GE, MERIDIAN: NWNW 21 10S 17E		STATE: UTAH
11. CHECK APP	ROPRIATE BOXES TO INDICATE N	NATURE OF NOTICE, REPO	ORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
NOTICE OF INTENT	ACIDIZE	DEEPEN	REPERFORATE CURRENT FORMATION
(Submit in Duplicate)	ALTER CASING	FRACTURE TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start:	CASING REPAIR	NEW CONSTRUCTION	TEMPORARILY ABANDON
	CHANGE TO PREVIOUS PLANS	OPERATOR CHANGE	TUBING REPAIR
	CHANGE TUBING	PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL
Date of work completion:	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
23.0 0. 1.0.1.1.2.1.1.	COMMINGLE PRODUCING FORMATIONS	RECLAMATION OF WELL SITE	✓ OTHER: Extend Permit
	CONVERT WELL TYPE	RECOMPLETE - DIFFERENT FORMATION	
	OMPLETED OPERATIONS. Clearly show all perting ny would like to request a one year o		·
	Approved by Utah Divisior Oil, Gas and M	า of	
	Date: CG-18-	the c	OPY SENT TO OPERATOR Pate: 6.19.2008 hitials: K5
NAME (PLEASE PRINT) Beverly W	alker	TITLE Engineering Tec	hnician
SIGNATURE LE LE LE	Walke	DATE 6/10/2008	
(This space for State use only)			RECEIVED



Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

∟ocation: Company Per	4301333238 Wilkin Ridge Feder NWNW Section 21- mit Issued to: Permit Issued:	-T10S-R17E Gasco Production C	Company	
above, hereby	verifies that the	information as su	rill on the property bmitted in the produce in the produced in	eviously
ollowing is a verified.	checklist of some	e items related to	the application, v	which should be
-	rivate land, has t en updated? Yes	•	anged, if so, has	the surface
~		the vicinity of the ents for this location	proposed well wh on? Yes⊟ No ☑	nich would affect
	•	er agreements pu proposed well? Yo	ıt in place that co es⊡No⊠	uld affect the
	•	to the access rou proposed location	rte including owne n? Yes⊟ No ☑	ership, or right-
Has the appro	ved source of wa	ater for drilling ch	anged? Yes⊡No	
	ire a change in p	_	urface location or vas discussed at	
•	in place, which	covers this propo	sed well? Yes ☑ I	No□
Signature	y Walter		6/10/2008 Date	e
Title: Engineeri	ing Technician			
Representing:	Gasco Production	Company	** *** *** ***	JUN 1 3 2008
				OIV. OF OIL, GAS & MINING

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB No. 1004-0136

Expires November 30, 2000

6. If Indian, Allottee or Tribe Name

N/A

	_			5.	Lease Serial N
FEB	2	7	2006		UTU-75083

•			
DDI ICATION EOD	DEDMIT TO DOLL	OD DEENTED	

1a. Type of Work: X DRILL R	EENTER		7. If Unit or CA Agreemen	at, Name and No.
_			Wilkin Ridge	
	<u> </u>		8. Lease Name and Well 1	√o.
b. Type of Well: Oil Well Gas Well Other	Single Zone	Multiple Zone	Wilkin Ridge Fede	ral #11-21-10-17
2. Name of Operator 303-483-0044	8 Inverness Drive East, S	Suite #100	9. API Well No.	
Gasco Production Company	Englewood, CO 80112	· · · · · · · · · · · · · · · · · · ·	43 013 3	3238
3. Name of Agent 303-857-9999	14421 County Road 10)	10. Field and Pool, or Exp	loratory
Permitco Inc Agent	Fort Lupton, CO 80621		Wilkin Ridge	
4. Location of Well (Report location clearly and in accordance w	ith any State requirements.*)		11. Sec., T., R., M., or Blk	, and Survey or Area
At surface 480' FNL and 671' FWI	<u>.</u>		Section 21, T10S-	R17E
At proposed prod. zone NW NW				
14. Distance in miles and direction from nearest town or post office	.e*		12. County or Parish	13. State
Approximately 22.9 miles South of Myton, Utah	·		Duchesne	UT
15. Distance from proposed* location to nearest	16. No. of Acres in lease	17. Spacing Unit	dedicated to this well	
property or lease line, ft. (Also to nearest drig. unit line, if any) 480'				_
(Also to heatest drig, milt line, it ally)	1917.7		40 Acres; NW NW	
18. Distance from proposed location*	19. Proposed Depth	20. BLM/BIA Box	nd No. on file	
 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 2000¹ 	13,137'			
	10,107	· .	Bond No. UT-1233	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work	vill start*	23. Estimated duration	
5947' GL	ASAP		35 Days	s
	24. Attachments	oe: IFI	POITIAL TIPLET	UNIC
			24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	र दे कि केम देख
The following, completed in accordance with the requirements of C	Inshore Oil and Gas Order No. 1	, shall be attached to	this form:	
			•	
Well plat certified by a registered surveyor.	4. Bond to co	ver the operations	inless covered by an existing	bond on file (see
2. A Drilling Plan.	Item 20 abo	ove).		
3. A Surface Use Plan (if the location is on National Forest System	Lands, 1 5. Operator ce	rtification.		
SUPO shall be filed with the appropriate Forest Service Office.	6. Such other	site specific informa	tion and/or plans as may be re	quired by the
<i>₹</i>	authorized o	office.		
			·	
25. Signature	Name (Printed/Typed)		Date	
Venessa Janemacher	l Ver	essa Langmac	her	2/24/2006
Title				
Authorized Agent for Gasco Production Compan				
Approved by (Signature)	Name (Printed/Typed)		Date	D 4.7 2000

Title

Lands & Mineral Resources

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

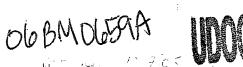
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the RECEIVED United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

NOTICE OF APPROVAL

FEB 2.5 2009

DIV. OF OIL, GAS & MINING





UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE**

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Location: NWNW, Sec. 21, T10S, R17E Company: **Gasco Production Company** Wilkin Ridge Federal 11-21-10-17 UTU-75083 Well No: Lease No:

API No: 43-013-33238 Agreement: Wilkin Ridge Unit

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist:	David Gordon	(435) 781-4424	
NRS/Enviro Scientist:	Christine Cimiluca	(435) 781-4475	
NRS/Enviro Scientist:	Lori Ford	(435) 781-4406	
		T (105) FO1 0 100	

Fax: (435) 781-3420

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

<u>N</u>	<u>OTIFIC</u>	ATION REQUIREMENTS
Location Construction	-	Forty-Eight (48) hours prior to construction of location and
(Notify Environmental Scientist)	İ	access roads.
Location Completion	-	Prior to moving on the drilling rig.
(Notify Environmental Scientist)		
Spud Notice	-	Twenty-Four (24) hours prior to spudding the well.
(Notify Petroleum Engineer)		
Casing String & Cementing	_	Twenty-Four (24) hours prior to running casing and cementing
(Notify Supv. Petroleum Tech.)		all casing strings.
BOP & Related Equipment Tests	-	Twenty-Four (24) hours prior to initiating pressure tests.
(Notify Supv. Petroleum Tech.)		
First Production Notice	-	Within Five (5) business days after new well begins or
(Notify Petroleum Engineer)		production resumes after well has been off production for more
		than ninety (90) days.

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC COAs:

- Surface Conditions of Approval or monitoring are listed in the Surface Use Plan of the APDs.
- The operator will control noxious weeds on disturbance from this project by spraying or mechanical removal. On BLM administered land, it is required that a Pesticide Use Proposal be submitted, approved and a permit issued prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- Depending on future requirements of the location and if it is determined a pump-jack be used upon completion then it is recommended that a hospital muffler be installed. This mitigation measure will minimize noise disturbance for wildlife species within the surrounding area.
- The operator shall construct low water crossings along the proposed access road in order to maintain existing drainages.
- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. The following seed mix shall be used:

	Туре	lbs./acre
Western Wheatgrass	Agropyron smithii	4
Needle and Threadgrass	Stipa comata	4
Hy-crest Crested	Agropyron cristatum	4
wheatgrass		
** Seed shall be drilled; bu	at if broadcasted double the p	ounds per acre

** Seed shall be drilled; but if broadcasted double the pounds per acre used and work the solids mechanically to cover the seed.

• Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil re-spread over the surface; and, the surface re-vegetated. The following seed mix shall be used, unless BLM personnel determine that conditions have changed and another mix will be more suitable:

Type		lbs./acre
Shadscale	Atriplex confertifolia	3
Winterfat	Eurotia lanata	3
Galleta grass	Hilaria jamesil	3
Indian Rice Grass	Oryzopsis hymenoides	3
	l; but if broadcasted double the pe	-
used and work the solid	ds mechanically to cover the seed	

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 2500 ft, which is above the surface casing shoe.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the <u>top of cement</u> and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

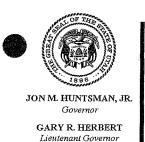
OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - O Well name and number.
 - o Well location (1/41/4, Sec., Twn, Rng, and P.M.).
 - O Date well was placed in a producing status (date of first production for which royalty will be paid).
 - o The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - O Unit agreement and/or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

Page 8 of 8 Well: Wilkin Ridge Fed 11-21-10-17 2/13/2009

• Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 26, 2009

Gasco Production Company 8 Inverness Dr. East, Ste. 100 Englewood, CO 80112

Re: APD Rescinded – Wilkin Ridge Fed 11-21-10-17, Sec. 21 T. 10S, R. 17E

Duchesne County, Utah API No. 43-013-33238

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on June 29, 2006. On June 20, 2007 and June 18, 2008, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective August 26, 2009.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Masor

Environmental Scientist

cc: Well File

Bureau of Land Management, Vernal



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-75083			
SUNDRY NOTICES AND REPORTS ON WELLS		N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
	sals to drill new wells, significantly deepen exis agged wells, or to drill horizontal laterals. Use A		7.UNIT or CA AGREEMENT NAME: WILKIN RIDGE DEEP		
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: WILKIN RIDGE FED 11-21-10-17		
2. NAME OF OPERATOR: GASCO PRODUCTION COMPANY		9. API NUMBER: 43013332380000			
3. ADDRESS OF OPERATOR: 8 Inverness Dr. East, Suite 10	PHONE N 00 , Englewood, CO, 80112 30	IUMBER: 3 483-0044 Ext	9. FIELD and POOL or WILDCAT: UNDESIGNATED		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0480 FNL 0671 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 21 Township: 10.0S Range: 17.0E Meridian: S			COUNTY: DUCHESNE		
			STATE: UTAH		
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION		TYPE OF ACTION			
Gasco would like to state approved con Range 4 west in Nor	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF	ater management, LLC in Section 30, 2 south ould be used in addition sco uses to dispose of	CASING REPAIR CHANGE WELL NAME CONVERT WELL TYPE NEW CONSTRUCTION PLUG BACK RECOMPLETE DIFFERENT FORMATION TEMPORARY ABANDON ✓ WATER DISPOSAL APD EXTENSION OTHER: Dlumes, etc. Accepted by the Utah Division of Oil, Gas and Mining Ate: 12/30/2010		
NAME (PLEASE PRINT)	DHONE NIIMBED	TITLE			
Roger Knight	PHONE NUMBER 303 996-1803	EHS Supervisor			
SIGNATURE N/A		DATE 12/29/2010			

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVEL

FORM APPROVED

OMB N	O. 100	4-0135
Expires:	July 3	1, 2010
se Serial No		

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an			01075083				
abandoned we	II. Use form 3160-3 (AP	PD) for such	proposals.	l k A	6. If Indian, Allottee	or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on reverse side.			7. If Unit or CA/Agreement, Name and/or N UTU81153X				
1. Type of Well					8. Well Name and No.		
Oil Well Gas Well Ot						EDERAL 11-21-10-	
Name of Operator Contact: JESSICA BERG GASCO PRODUCTION COMPANY E-Mail: jberg@gascoenergy.com				9. API Well No. 43-013-33238-00-X1			
		3b. Phone N Ph: 303-9	o. (include area cod 96-1805	le) .	10. Field and Pool, or Exploratory WILKIN RIDGE		
4. Location of Well (Footage, Sec., 1	., R., M., or Survey Description	n)			11. County or Parish,	and State	
Sec 21 T10S R17E NWNW 4	80FNL 671FWL				DUCHESNE CO	OUNTY, UT	
12. CHECK APPI	ROPRIATE BOX(ES) TO	O INDICATI	E NATURE OF	NOTICE, R	L EPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION			ТҮРЕ (OF ACTION			
Notice of Intent	☐ Acidize	□ Dee	epen	□ Produc	tion (Start/Resume)	☐ Water Shut-Of	
_	Alter Casing	_	cture Treat	Reclam	· · · · · · · · · · · · · · · · · · ·	☐ Well Integrity	
☐ Subsequent Report	Casing Repair	□ Nev	w Construction	Recom			
☐ Final Abandonment Notice	Change Plans	□ Plu	g and Abandon	Tempo	rarily Abandon	Other Change to Origin PD	
	Convert to Injection Plug B		g Back	□ Water I	☐ Water Disposal		
If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final Abdetermined that the site is ready for final Gasco would like to request a 2/17/2011.	operations. If the operation respondent Notices shall be fill inspection.)	sthe Bond No. of sults in a multip ed only after all	on file with BLM/B. le completion or re- requirements, inclu	IA. Required su completion in a ading reclamation	ibsequent reports shall be new interval, a Form 316 on, have been completed,	filed within 30 days 10-4 shall be filed once and the operator has	
		REC	EIVED	E	NG. (U) A	K 1 1, 2011	
			1 8 2011		EOL.		
		a an Pall	OAC O MINUNG	E	.S		
CONDITIONS OF A	ANDALLI ATTAALIFI		, GAS & MINING	Р			
CONDITIONS OF A	PPROVAL ATTACHEI	ע		ą.	RECL.		
					EVL.	DOCADOR DE SERVICIO DE LA COMPANSIONA DEL COMPANSIONA DE LA COMPANSIONA DE LA COMPANSIONA DEL COMPANSIONA DE LA COMPANSI	
14. Thereby certify that the foregoing is	true and correct. Electronic Submission #1	102245 verifie	d by the BLM We	ell Information	n System		
Comn	Electronic Submission #1 For GASCO PRO nitted to AFMSS for proces	ODUCTION C	OMPANY, sent t	the Vernal	11DDH11A19E\		
Name (Printed/Typed) JESSICA E		soming by NOD			RESENTATIVE		
Signature (Electronic S	ubmission)		Date 02/09/2	2011			
	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE US	SE		
14	/		As	sistant Field	Manager	450 6 4 6644	
Approved By Jemson			Title Land	ds & Mineral	Resources	APR 1 2011	
onditions of approval, if any, are attached ertify that the applicant holds legal or equi hich would entitle the applicant to conduc	 Approval of this notice does itable title to those rights in the ct operations thereon. 	not warrant or subject lease	Office	VERN	AL FIELD OFFIC	DF .	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



CONDITIONS OF APPROVAL

Gasco Production Company

Notice of Intent APD Extension

Lease:

UTU-75083

Well:

Wilkin Ridge Federal 11-21-10-17

Location:

NWNW Sec 21-T10S-R17E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 02/16/2013.
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Carey Doyle of this office at (435) 781-3406.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT Green River District Vernal Field Office 170 South 500 East Vernal, UT 84078 http://www.blm.gov/ut/st/en/fo/vernal.html



September 10, 2013

IN REPLY REFER TO: 3160 (UTG011)

Tom Rogers Gasco Production Company 7979 Tufts Ave., Suite 1150 Denver, CO 80237

43 013 33238

Re:

Notice of Expiration

Well No. Wilkin Ridge 11-21-10-17 NWNW, Sec. 21, T10S, R17E Duchesne County, Utah Lease No. UTU-75083

Dear Mr. Rogers:

The Application for Permit to Drill (APD) for the above-referenced well was approved on February 17, 2009. A two (2) year extension of the original APD was requested. The request was reviewed and the extension approved until February 16, 2013. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka Assistant Field Manager Lands & Mineral Resources

CC:

UDOGM

pcc:

Well File I&E Asst.

SEP 2 0 2013

DIV. OF OIL, GAS & MINING